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leaders were not in complete agreement. Some desired Carol's immediate proclamation as king, some were hostile to him, and others advocated his entering the regency. Maniu himself was opposed to proclaiming him king until Carol should leave Mme Lupescu and achieve a reconciliation with his wife. "But," he said later, "I could not force my views in face of public opinion." [6]

The newly constituted government was short-lived. When Maniu learned that Mme Lupescu had returned to Rumania contrary to what he believed to be Carol's agreement, he resigned in protest on October 6. A new National Peasant cabinet was formed under the wealthy but colorless Mironescu, without Maniu or Vaida Voevod. Although this cabinet remained in office until the following April, its dismissal was only a matter of time. Carol had announced his desire to create a coalition government, and as soon as the National Peasants had completed a new loan agreement they were removed from office. The second National Peasant government of 1932–33 will be discussed later in connection with the depression.

Maniu's resignation in October, 1930, was a significant event as it marked, when viewed in retrospect, the conclusion of Rumania's brief experiment with responsible government. In so far as his action was a protest against royal irresponsibility and bad faith, Maniu was remaining true, as he did always, to his conception of legality and constitutionality. But as a protest against the king's moral standards it was misdirected. "Bourgeois sexual morality," Mr. Hugh Seton-Watson has said, "is probably less esteemed in Rumania than anywhere else on the Continent. It was not the right issue on which to base the whole conflict between Democracy and Dictatorship." [7]

The episode is inexplicable without some insight into Maniu's personality, which, in its rather cold incorruptibility, was in the sharpest possible contrast to the laxness and opportunism of Rumanian public life. Born in Transylvania in 1873, Iuliu Maniu had studied law in Vienna. He had been attorney of the Uniate Metropolitanate of Blaj and professor of law at the Blaj Theological Academy. As deputy to the Hungarian parliament he had gained a reputation as a stubborn and doughty opponent of Hungarian policy in Transylvania. The clerical atmosphere of Blaj and the parliamentary atmosphere of the Budapest chamber had a lasting influence. Maniu

6. John Gunther, *Inside Europe* (London, 1936), pp. 367–369, includes an unpublished speech by Maniu which was to have been delivered in 1934 and which provides some additional details concerning the National Peasant leader's position on Carol's return.

7. Hugh Seton-Watson, *Eastern Europe between the Wars, 1918–1941* (2d ed., Cambridge University Press, 1946), p. 204.

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159 was renowned as the man in permanent opposition and as one whose acts were always directed by what he considered to be the judgment of posterity. From the very beginning of postwar politics his strength of character gave him an influence which is otherwise difficult to explain. He has always been a source of tremendous admiration to his followers and of singular exasperation and hatred to his opponents.

Those traits, however, which contributed to Maniu's very considerable stature had two serious disadvantages. His personal probity not only led him into politically untenable positions, such as making a political issue of Mme Lupescu, but was far too elevated for his party to emulate. There was always a noticeable divergence between Maniu's precepts and the activities of rank and file of the party, and while Maniu cannot bear the responsibility for the foibles and shortcomings of his followers, it left him, as leader of the party, open to charges of hypocrisy. A more serious drawback was the negativeness and passivity, though not from weakness, of Maniu's attitude; he was always withdrawing, retiring, and resigning, frequently on occasions which demanded a more positive response. Characteristic of this attitude and showing both an admirable democratic belief in his compatriots, together with the absence of any constructive action, is a speech he delivered later, in February, 1932:

> To-day the nation is deprived of its constitutional rights; we are on the threshold of bankruptcy, both economic and moral; we see anarchy enthroned in men's souls and hatred fomented in the provinces, and in the murmur of this growing dissolution one hardly hears the voice of the national conscience, one and undivided. . . . In such solemn moments you ask for my guidance. I shall offer you none. You have both intelligence and conscience. I pray you to revere the memory of the sufferings which brought about the consummation of the national unity.[8]

165 More, however, was involved in Maniu's resignation than personal differences between two individuals. In effect, the leader of a government which had come into power with a tremendous—and authentic—majority of votes surrendered its authority to a monarch who had assumed the crown only four months earlier. Admittedly, there was nothing unconstitutional in this, since the king had the right to appoint and dismiss ministers, but it did bring out the implicit contradictions in the Rumanian constitution between the powers of the monarch and representative government. More than that, it raises

8. Quoted in G. C. Logio, *Rumania*, pp. 59–60.

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and it is illustrative of the nature of Rumanian politics that the National Peasant party had by this time already become an "old" party —had outlived the impulses which had created them. He desired a rearrangement of the political mosaic to give due place to "younger" elements and believed that this required the installation of a disinterested government of "personalities." Besides the knowledge that Carol was counting their days, the National Peasants saw their once impressive popularity draining away, through the depression and their manifest failure to bring about the new Jerusalem.

In by-elections of January, 1931, the government lost a number of seats, and perhaps the only safe conclusion one can draw from Rumanian elections is that the loss of government-held seats means an undeniable fall in public confidence. The customary flurry of rumors presaged the government's overthrow, and indeed its negotiations for a second foreign loan were the condition for its remaining in power, as had been the case with Vintilă Brătianu's government three years before. On March 10 the loan agreement was signed in Paris, and on April 4 Mironescu resigned. Rumania's outstanding diplomat, Titulescu, was recalled from London—a standard procedure during the cabinet crises of these years—to form a coalition government. Both the National Peasants and the Liberals accepted on certain conditions but Iorga, significantly, voted against it and demanded a cabinet of personalities.

On April 18 Carol called upon Iorga, who, with Argetoianu as his capable hatchet man, formed a cabinet of at least some of the talents. Iorga, announcing his program to be hard work and economy, summoned and immediately dismissed the National Peasant chamber. New elections were held, but even with Argetoianu doing his efficient best at the Ministry of the Interior and with an electoral pact with the Liberals, the government bloc of National Union obtained only 48 per cent of votes. The National Peasants of course were forced down to 15 per cent, and Maniu announced his retirement from politics. The Communists' Workers and Peasant Union won five seats, their first representation in the chamber. Incidentally, none of their members was returned from Bessarabia, reputedly the seat of Rumanian communism; all five were from the industrial centers of Transylvania, the Banat, and Bucovina.

Carol's guiding hand is evident in the creation of the Iorga-Argetoianu government, and after its formation he announced his intentions to preside over cabinet meetings once a week. Nicolae Iorga, the internationally known and incredibly voluminous historian, had never commanded any following beyond a coterie of ad-

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mirers. His individualism, or perhaps his vanity, had made him an uncertain political ally, and he took to himself the role of mentor and guardian of the Rumanian national consciousness. His efforts in politics, however, were far less impressive than his output as a historian.[1]

The government's term in office was not edifying.[2] As the economic situation deteriorated, the complete absence of any organized political support made itself felt when all the other parties began a violent press campaign; the Liberals belabored Argetoianu's financial policy as one of bankruptcy; the Transylvanian press threatened a demand for autonomy; the aging Marshal Averescu, bitterly disappointed by Carol's failure to select him as man of the hour, assailed both the government and the king. A crisis rose between Carol and the government over the salaries of state officials. The government, faced by a bad deficit and the failure to obtain an additional loan from France, was attempting to reduce official salaries. Carol opposed this and forced Iorga's resignation on June 6, 1932.

After an unsuccessful effort by Titulescu, the National Peasants, under Vaida Voevod, were recalled for their second term of office. In the elections of July they obtained only 45 per cent of the votes, a great decline from their 80 per cent of 1928, but sufficient to give them the premium. The Iron Guard and other fascist groups showed gains and won some additional seats, primarily in Bessarabia, the region of deepest discontent. An effort was made to bring Maniu out of retirement; he did resume leadership of the party but was unable to reach an understanding with Carol.

The program of the new National Peasant government was along the same lines as its predecessors and included the reintroduction of the administrative decentralization law, which had been revoked by the Iorga government; a modification of the electoral law, which all parties promised to change but which they somehow did not get around to when in power; and a reduction of taxes and expenditures. The party had an initial success in obtaining a Swiss loan of 50 million francs for the payment of back salaries of state officials. In October, however, Vaida Voevod resigned after a disagreement with the influential Titulescu on the question of Rumanian-Soviet nego-

1. For a recent tribute to Iorga, who was assassinated by the Iron Guard in 1940, see John Campbell, "Nicholas Iorga," *The Slavonic and East European Review*, 20, No. 56 (November, 1947), 44–59.

2. For a particularly jaundiced account of the Iorga-Argetoianu administration see G. C. Logio, *Rumania*, pp. 39–52. Logio, as a foreign business man, was especially bitter on the subject of Rumanian business ethics and heartily disliked Carol, "who promulgates rascally laws defrauding the unwary foreign investor and trader."

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175 665 Iron Guard 16 per cent, and the National Christian party (the fusion of Goga's and Cuza's nationalist, anti-Semitic parties) 9 per cent. Rumania's curious electoral system had broken down. The Liberals' failure was clearly a loss of confidence. The National Peasants or the Iron Guard seemed the most likely alternatives.

At this point, however, Carol moved in and on December 28, 1937, called upon the Transylvanian poet and lyrical fascist, Octavian Goga, to form a cabinet. Carol's own explanation of this surprising decision, which was in fact the immediate prelude to his personal dictatorship, was that he had no alternative. He could not bring back the Liberals; he did not want the Iron Guard in power, so his only move was to spike the guns of the extreme Right by putting in another but less dynamic Rightist party. There was, of course, another solution: to have called in the National Peasants, but the personal feud between Carol and Maniu precluded that course. There is no evidence, however, that Carol was at all reluctant to take power into his own hands.

Goga was installed with a rather heterogeneous cabinet including Gen. Ion Antonescu and three runaways from the National Peasants, chief of whom was Armand Calinescu. This government had a brief and hectic career, notable chiefly for arousing foreign protests because of its anti-Jewish activities but for little else. On February 10 Carol ended the farce, dismissed Goga, and set up a government of National Union under the Patriarch Miron Cristea, including an assortment of old worthies: Averescu, Vaida Voevod, General Vaitoianu, Mironescu, Iorga, Tătărescu, Argetoianu, Calinescu, and General Antonescu. It was a strange collection when one considers Carol's advocacy of the "younger generation." The period of explicit royal dictatorship had started.

Economic and Agrarian Policy

642 If the drift toward a royal dictatorship was induced by the victories of fascism throughout Europe and by the political conflict within Rumania itself, a third reason was the economic policy pursued after the depression. While much of the dictatorial paraphernalia of these years may be attributed to Carol's personal tastes or to the political desirability of making use of the nationalist and fascist sentiments of the times, a quite separate impulse toward an authoritarian, corporatist society was contained in the economic policy of neoliberalism.

159 Perhaps the clearest illustration of this impulse is to be found

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in the writings and career of the economist-politician Mihail Manoilescu, a man who never achieved his political ambitions in Rumania but whose unorthodox economic writings have attracted a fair amount of international attention. Trained as an engineer, he became engaged in politics after the First World War as a member of General Averescu's People's party. In 1927 he was arrested by the Liberal government for his efforts to bring Carol back to Rumania; he was later rewarded by being foisted on the Mironescu cabinet as Minister of Industry and Commerce. Although he held a number of cabinet posts in the governments of the 1930's, he did not fare as well under Carol as he had hoped. He was, however, called to the foreign ministry in 1940, and had the unpleasant privilege of signing the Vienna Decree by which Rumania lost Northern Transylvania.[11]

Manoilescu began his political career as a neoliberal and as an opponent of the peasantism (ţărănismul) of the radically inclined Peasant party of 1922.[12] At that time he announced democracy to be his ideal and the essential truths of liberalism to be valid and timeless. He criticized the peasantist doctrine, elaborated by Madgearu and Stere, as anachronistic and self-contradictory. Since the land reform had already been achieved, the Peasant party, born too late, had lost its *raison d'être*. Like all opponents of the Peasants, he denied the homogeneity of the peasantry and its ability to act successfully as a class. He deplored the party's current emphasis upon class struggle, as beyond the powers of the peasantry to master and as dangerous to society. As for liberalism, he felt that its historical manifestations—as distinct from its essential principles—had been altogether too limited by an atomistic concept of society, by the passive role assigned to the state, and by the narrow definition of private property. Superficially, in his opposition to peasantism and his reformulation of liberalism, he was not far from the Liberal Duca.

But if one examines his neoliberalism of 1922 and 1923, certain very important differences appear. In the first place, he openly attacked the Rumanian Liberal party and was thus not obliged, as was Duca, to reconcile liberalism to the party of the Brătianus. Unlike Duca, who pleaded for "social harmony," Manoilescu was for a "political equilibrium" of the various independent productive groups which form society; he advocated vertical rather than horizontal parties. The principal difference, however, lay in Manoilescu's em-

11. A brief biography is given in the bibliography of his works: Florin Em. Manoliou, *Bibliographie des travaux du Professeur Mihail Manoilesco* (Bucarest, 1936).

12. His two principal studies in this connection are *Ţărănism şi democraţie* (Bucarest, 1922), and "Neoliberalismul," in *Doctrinele partidelor politice*, a lecture delivered in February, 1923.

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phasis upon economic productivity: "In order to live as a civilized state, Rumania requires the political and social form which will realize its energies to the maximum." [13] This emphasis had a decisive effect upon his whole line of thought. The peasant, because of his relatively low productivity, could not be the dominant factor in Rumanian social and economic life. On the contrary, Manoilescu defended the old Rumanian oligarchy which had been the necessary advance guard in the national awakening. Above all he saw society as a planned work of engineering. "To-morrow the principles of scientific organization will dominate the whole of society and will be applied to the entire system of national production as to a single enterprise." [14]

It was this ideal, and not any "regeneration of liberalism," which marked the real divergence of Manoilescu's neoliberalism from the views of the old Liberal party. This distinction is quite important. As has been seen, the Liberals had taken over nineteenth-century liberalism largely for nationalist reasons. In the course of applying it to Rumania, they had warped it beyond recognition, especially in regard to economic nationalism and state control. Nevertheless, it remained a derivative, if a perverted one, of the liberalism of the nineteenth century. As a result the Liberals were caught in a contradiction between their actual policy and their political philosophy, and it has been noted that the Liberal leaders justified their economic policy on grounds of temporary necessity or because of Rumania's backward condition. Even in their stress upon industry the old Liberals held a somewhat simple view of the exploitation of natural resources coupled with a nationalist desire to have a strong Rumania.[15]

In Manoilescu, on the other hand, economic productivity, that is, industrialization, was the focal point of his thought, and drove him entirely away from liberalism toward a doctrine of corporatism. Manoilescu's best known work, *The Theory of Protection and International Trade*,[16] shows a notable evolution from his articles of the

13. *Doctrinele partidelor politice*, p. 161.

14. *Țărănism și democrație*, p. 50.

15. In this connection it should be noted that Zeletin's neoliberal defense of Rumanian liberalism (see above p. 114) has a rather retrospective air, justifying Rumanian economic policy in terms of the earlier mercantilist behavior of the western European states. Zeletin also wrote a book on *Neoliberalismul*, but his point of view was quite different from Manoilescu's and really referred to the modifications of liberalism mentioned by Duca and appearing in the 1923 Constitution. Zeletin approached the subject in a quasi-Marxist fashion and regarded the development from liberalism to neoliberalism as one of historical necessity. Manoilescu, on the other hand, displays a marked voluntarism.

16. The book was first published in French, *Théorie du protectionnisme et de l'échange international* (Paris, 1929); an English translation appeared in 1931; a

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early 1920's although many of the changes were implicit in the earlier writings. In 1923 he had wanted to reformulate liberalism to meet contemporary requirements. By 1930 he was attempting a total refutation of the classical theory of international trade as it had come down from Ricardo. The core of his new theory, which he reiterated incessantly, was that "the product of the labor of an industrial workman is almost always exchanged for the product of the labor of several agricultural workmen."[17] From this premise he concluded that international exchange was only to the benefit of the industrial country and furthered the economic domination of the European industrial states.

The economic domination of a country signifies the economic state which allows the produce of the labor of its workmen to be exchanged for the produce of a larger number of workmen of other countries. In the life of nations, as in the life of individuals, wealth never comes only from one's own labor. "Make others work for you" has always been the classical means of becoming wealthy.[18]

If an agricultural country is absolutely unable to produce industrial goods it is obliged to make this disadvantageous exchange, but if it can produce an industrial article—even at a permanently higher cost than a foreign industrial state—it should do so rather than import. Thus, even though it might require the labor of 300 Rumanian workmen to produce a quantity of cloth that could be produced by the labor of 100 British workmen, it would still be advantageous to do so, if, to import the cloth, Rumania was obliged to export a quantity of wheat which had required the labor of 500 workmen. With his theory of permanent protection, Manoilescu was quite critical of those protectionists, such as List, who had gone only halfway and rested their argument on the fostering of infant industries. He demanded protection, however, only for those industries whose "productivity surpasses the average productivity of the country." He opposed autarky, which he thought defensible only as a measure of preparedness for war, and did believe in an international division of labor, but one which was based upon specialization within different branches of the more productive industries.[19]

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revised and expanded version later appeared in German, *Die nationalen Produktivkräfte und der Aussenhandel* (Berlin, 1937).

17. Manoilescu, *Theory of Protection*, p. vi.

18. *Ibid.*, p. vii.

19. It is unnecessary here to give an account of his quite lengthy effort to provide a mathematical refutation of the principles of free trade. His chief attack was upon